China’s trade decision is good news for sugar

At least one Australian primary industry has emerged better off despite recent negative trade actions by China against our agricultural industries.

In apparent response to Australia’s position on a number of global issues that have arisen from the COVID-19 pandemic, China announced in early May that they would restrict imports of $1 billion worth of Australian beef and barley. The strikes have sent primary producers into a frenzy.

However, it has been different for the Australian sugar industry which exports some 170,000 tonnes of sugar into China worth around $100 million. It was a surprise and a relief for cane growers to learn of Beijing’s decision not to extend the sugar import tariffs that have been in place for two years but instead to drop them altogether.

CANEGROWERS, the organisation representing sugarcane growers throughout Queensland, has warmly welcomed this decision. The sugar industry has been hobbled by trade barriers in the past that have limited our exports into China. The decision could mean improved opportunities for increased sugar exports to China in future years as Chinese customers get a taste for our high quality Australian product.

It also opens up competition for our sugar from our other major trading partners, Japan, Korea, and Indonesia which will hopefully result in higher returns for the industry.

As just one of the benefits to its members, the CANEGROWERS organisation works closely with Australia’s Trade Minister, Simon Birmingham and his Department, to help secure overseas markets and get the best outcomes for an industry that exports some 85 per cent of its 4 million tonnes of sugar production.

As the second largest raw sugar exporter in the world, with a product value of $2.5 billion, the Australian sugar industry needs this close relationship to allow us to take advantage of every opportunity that arises out of free trade agreements and other trade deals.

It has been well documented that Agriculture, together with the resources industries, will be the key driver in pulling our country through the difficult economic times that have been
thrust upon us by the COVID-19 pandemic. The sugar industry has been getting on with the job throughout the months of this pandemic, continuing to provide employment and manage valuable exports.

CANEGROWERS has been instrumental in bringing together all parts of the value chain during these hard times to put in place a coordinated effort to keep the industry running.

Participants from the farms right through to those shipping our product through our high grade terminals have been a part of this successful process. And with the Queensland industry beginning crushing this week it is imperative that the industry is able to continue to operate unhindered by COVID-19 outbreaks so that we can gain the most from our short season that runs from now until December.